

**ATTACHMENT 1**  
**Notification of *Pro Forma* Transfer of Control**

Pursuant to Section 214 of the Communications Act of 1934, as amended, (“the Act”), 47 U.S.C. § 214 and Section 3.24(f) of the Commission’s rules, 47 C.F.R. § 63.249f), Smith Bagley, Inc. (“SBI”) hereby notifies the Commission of the *pro forma* transfer of control of SBI as a result of the winding up of the Estate of Smith Bagley, who died in January of 2010. Mr. Bagley’s estate has been being settled, and the final disposition of the Estate’s assets, including SBI, is completed. As more fully explained in response to Question 13 below, the ultimate ownership or control of the international Section 214 authorization at issue has not changed, and is, therefore, *pro forma* in nature. This *pro forma* transfer of control occurred on December 21, 2015.<sup>1</sup>

**Answer to Question 10 – Section 63.18(c)-(d):**

The contact information for both the transferor and transferee is as follows:

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The transferee, Elizabeth Frawley Bagley, does not hold any international Section 214 authorization.

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<sup>1</sup> Notification is concurrently being filed with the Wireless Telecommunications Bureau with regard to the common carrier radio licenses impacted by the settlement of the estate. *See* ULS File No. 0007082270.

**Answer to Question 11 – Section 63.18(h):**

The following persons or entities directly or indirectly own at least 10% of SBI. No other person or entity directly or indirectly holds a 10 percent or greater interest in SBI.

<b>Name/Address/Citizenship</b>	<b>Principal Business</b>	<b>Percent of Interest Held</b>
Elizabeth Frawley Bagley c/o Smith Bagley, Inc. 1500 South White Mountain Road Show Low, AZ 85901 Organized: United States	Telecommunications	35.9% direct interest 35.6% direct interest (co-Trustee of six trusts holding 35.6% in SBI) 21.5% indirect interest (co-Trustee and beneficiary of Marital Trust during her lifetime)*
Marital Trust** c/o Smith Bagley, Inc. 1500 South White Mountain Road Show Low, AZ 85901 Organized: United States	Trust	21.5% direct interest

\* Elizabeth Frawley Bagley collectively controls 93 percent of SBI.

\*\*Elizabeth Frawley Bagley, Thomas Wilner and Deutsche Bank Trust Company, N.A. are the trustees of the Marital Trust.

**Answer to Question 13:**

SBI hereby notifies the Commission of the *pro forma* transfer of control that occurred on December 21, 2015 as a result of the final distribution of the Estate of Smith Bagley, who died on January 2, 2010.

Following Mr. Bagley's passing on January 2, 2010, SBI filed an application with the FCC on February 3, 2010, seeking consent to an involuntary transfer of control (ULS File No. 0004106486). Specifically, Mr. Bagley's 60% common stock interest in SBI was transferred to the Estate by operation of law on January 2, 2010. The Commission granted the application on February 26, 2010.

On March 27, 2015, SBI filed a *pro forma* notification of the transfer of control of SBI (ULS File No. 000696872), which occurred on February 26, 2015. Through this notification, SBI reported that, as part of the estate plan, the 60% common stock interest held by the Estate was assigned to the Trustees of the Revocable Trust, pursuant to the terms of the Last Will and Testament of Smith Bagley (the "Will").

On December 21, 2015, the winding up of the Estate was completed, including a distribution of SBI shares held by the Revocable Trust. Shares representing 35.9% of SBI were distributed to Elizabeth Frawley Bagley, individually. Shares representing 21.5% of SBI were distributed to a Marital Trust controlled by Elizabeth Frawley Bagley (as explained below), for which she is the sole beneficiary during

her lifetime.<sup>2</sup> Shares representing 1.3% of SBI were distributed to the Connor Reynolds Bagley Irrevocable Trust. Shares representing 1.3% of SBI were distributed to the Vaughan Elizabeth Bagley Irrevocable Trust.<sup>3</sup>

Elizabeth Frawley Bagley continues to control SBI, as she has since Mr. Bagley's passing. She continues to control the voting of 93% of SBI's shares. She votes 35.9% directly through her direct ownership of shares. She controls the Marital Trust shares (21.5%) by virtue of her position as sole individual trustee of the Marital Trust. She holds the power to remove and replace the sole corporate trustee, Deutsche Bank Trust Company, N.A., and to appoint additional trustees.

Elizabeth Frawley Bagley controls six of the seven irrevocable trusts for the children and grandchildren, except for the Nancy Reynolds Bagley Irrevocable Trust.<sup>4</sup> She is a co-trustee of each of the six other irrevocable trusts, along with Thomas B. Wilner and Deutsche Bank Trust Company, N.A. Elizabeth Frawley Bagley and Thomas B. Wilner, as individual trustees, hold the power to remove and replace the corporate co-trustee in each of the six irrevocable trusts, and to appoint additional trustees.

In sum, Elizabeth Frawley Bagley exercises voting control over 93% of SBI's shares. There are no provisions in either the Articles of Incorporation or SBI's bylaws limiting her ability to control the company.

Elizabeth Frawley Bagley also continues to exercise *de facto* control of SBI through her role as chairman of SBI's Board of Directors. She has the power to remove the other two company directors by virtue of her control over 93% of SBI's shares. She actively controls the company's management, and participates in all major decisions, including the retaining of company executives, election of officers, borrowing funds, purchasing equipment, participation in FCC spectrum auctions, and acquisitions of spectrum and other assets on the open market.

Accordingly, this notification is appropriate because no substantive change in control occurred as a result of the distribution of SBI shares from the Revocable Trust to Elizabeth Frawley Bagley, the Marital Trust, the Conor Reynolds Bagley Irrevocable Trust, and the Vaughan Elizabeth Bagley Irrevocable Trust.

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<sup>2</sup> Upon the death of Elizabeth Frawley Bagley, Nancy Reynolds Bagley, Nicole Ladmer Bagley, and Brett Dylan Bagley will become the beneficiaries of the Marital Trust.

<sup>3</sup> The distribution of 1.3% of the SBI shares to each of the Conor and Vaughan trusts was accomplished in a two-step transfer, with the shares first assigned to the Estate of Smith Bagley, and then to the respective trusts in order to fulfill two specific bequests mandated under the terms of the Will.

<sup>4</sup> PNC Bank, N.A. is the trustee of the Nancy Reynolds Bagley Irrevocable Trust.